

**ARESOLUTION 2003-20-22**

**NOMINATING BOEING AEROSPACE OPERATIONS, INC. TO THE TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT AS A STATE ENTERPRISE PROJECT WITHIN THE SAN ANTONIO EMPOWERMENT ZONE.**

**WHEREAS**, On January 16, 2002, the San Antonio Empowerment Zone (the "Zone"), which includes a nominated area consisting of 21 contiguous census tracts primarily within the Central Business District and three developable sites to include Fredericksburg Road, Kelly/USA and Brooks City-Base as illustrated in Exhibit "A", was approved as one of the Round III Federal Urban Empowerment Zones by the United States Department of Housing and Urban Affairs; and

**WHEREAS**, pursuant to Chapter 2303.109, Subchapter C, this Empowerment Zone designation, which remains in effect until 2009, also qualifies the area as an Enterprise Zone; and

**WHEREAS**, the Texas Department of Economic Development ("TXED") will consider Boeing Aerospace Operations, Inc. ("Boeing") as an Enterprise Project pursuant to a nomination and an application made by the City of San Antonio, Texas (the "City"); and

**WHEREAS**, the City desires to pursue the creation of the proper economic and social environment in order to induce the investment of private resources in productive business enterprises located in the Zone and to provide employment to residents of the Zone and to other economically disadvantaged individuals; and

**WHEREAS**, pursuant to Chapter 2303, Subchapter F of the Texas Enterprise Zone Act, Texas Government Code (the "Act"), Boeing has applied to the City for designation as an Enterprise Project; and

**WHEREAS**, as an Enterprise Project, Boeing is eligible for a reduction in state franchise tax credits and a refund of up to \$1.25 million in state sales/use taxes paid on labor and materials for renovation and construction as well as on electricity and natural gas consumed in the business;

**WHEREAS**, the City finds that Boeing, or its successor in interest, meets the criteria for designation as an Enterprise Project under Chapter 2303, Subchapter F of the Act on the following grounds:

1. Boeing is a "qualified business" under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business in the Zone and at least twenty-five percent (25.0%) of the business' new employees will be residents of a Zone within the City's jurisdiction or economically disadvantaged individuals;
2. Boeing is located in the Zone, or has made a substantial commitment to locate in the Zone, which had an unemployment level of at least one and one-half (1 ½) times the state unemployment rate at the time of designation; and
3. There has been, and will continue to be, a high level of cooperation between public, private and neighborhood entities within the Zone; and

4. The designation of Boeing as an Enterprise Project will contribute significantly to the achievement of the plans of the City for development and revitalization of the Zone.

**WHEREAS**, the City finds that Boeing meets the criteria for tax relief and other incentives adopted by the City and nominates Boeing on the grounds that it will be located wholly within the Zone, will maintain a higher level of employment, economic activity and stability; and

**WHEREAS**, the City finds that it is in the best interest of the City to nominate Boeing as an Enterprise Project pursuant to the Act with the City's Economic Development Director designated as the Enterprise Project Liaison; **NOW THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Council finds that Boeing is a "qualified business", as defined in Section 2303.402 of the Act, and meets the criteria for designation as an Enterprise Project, as set forth in Section 2303, Subchapter F of the Act.

**SECTION 2.** The City Council hereby resolves that Boeing shall be nominated by application to TXED as an Enterprise Project within the San Antonio Empowerment Zone, a map of which is attached hereto and incorporated herein as "Exhibit A".

**SECTION 3.** Be it further resolved that the City Council shall designate the City's Director of Economic Development as the Enterprise Project Liaison.

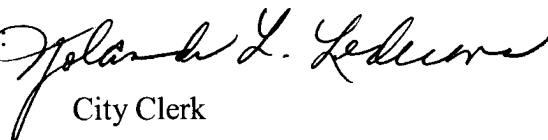
**SECTION 4.** The Enterprise Project shall take effect on the date of designation by TXED and terminate five (5) years after that date.

**SECTION 5.** This resolution shall be effective on and after the tenth day after passage hereof.

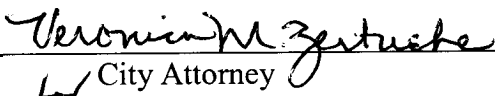
PASSED AND APPROVED this 22<sup>ND</sup> day of May 2003.

  
M A-Y O R  
EDWARD D. GARZA

ATTEST:

  
City Clerk

APPROVED AS TO FORM:

  
City Attorney